

GOED Board Meeting Minutes

February 14, 2013 • 10:00 a.m.
Governor's Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Molonai Hola, Cliff White, Jack Brittain, Lorena Riffo-Jensen, Sam Granato, Rob Adams, Peter Mouskondis, Amy Anderson, Jake Boyer, Stefanie Bevans
Staff:	Spencer Eccles (phone), Christopher M. Conabee, Jenni Osman, Sophia DiCaro, Eric Nay, Tom Wadsworth, Brady Ewell, Tamy Dayley, Zach Derr, Ron Andrus, Fred Lange, Michael Sullivan, Kelleigh Cole, Riley Cutler, Sue Redington
Visitors:	Bill Loos, Marshall Moore, Derek Mellus, Brennan Wood, Shaun Warby, Ben Hart, Beth Colosimo, Russ Fotheringham, Brad Baird, Sheila Yorkin, Kim Frost, Linda Gillmore, Reed Jacobs, Oswald Balfour, Laura Schmidt, Max Neves, Brian Bethers, Brice Wallace, Pail Beebe, David Baird, Corey Lindley, Mark Ringger, David Stirling, Rob Young, Scott Darrington, Judith Gardner, Eric Cannon, Kim Robinson, Larry Ellers

Welcome

Mel Lavitt welcomed everyone to the February 14, 2013 Board meeting.

Mel Lavitt moved to approval the January 10, 2013 Minutes

MOTION: Sam Granato moved to approve the minutes of January 10, 2013 GOED Board Meeting minutes. Jerry Oldroyd seconded the motion. Motion was carried unanimously.

ED ZONE – GAF

Establish an Economic Development Zone for the purpose of supporting the establishment of a manufacturing facility for Building Materials Manufacturing Corp. in Cedar City, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Cedar City, in support of their letter of request detailing the boundaries of the Building Materials Manufacturing Corp. facility for the entirety of Parcel B-1444-0000-0000 which is the official boundary of the West Highway 56 CDA in Cedar City, Utah. Rob Adams seconded the motion. Motion was carried unanimously.

ED ZONE – Orbit Irrigation Products

Establish an Economic Development Zone for the purpose of supporting the expansion of a manufacturing facility for Orbit Irrigation Products, Inc. in North Salt Lake, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for the City of North Salt Lake, in support of their letter of request detailing the boundaries of the Orbit Irrigation Products, Inc. facility located at 845 North Overland Road in North Salt Lake, Utah. Rob Adams seconded the motion. Motion was carried unanimously.

EDTIF – doTERRA International, LLC

Project Highlights

- Timeline: Spring 2013
- Target Industry: Corporate Headquarters
- Proposed Location: Utah County
- Capital Investment: \$60 million

Jobs and Revenue

- 490 FTE's
- doTERRA International, LLC provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 10 years: \$ 136,436,895
- New State Revenue over 10 years: \$ 83,279,071

MOTION: Jerry Oldroyd moved to approve for doTERRA International, LLC a \$16,655,814 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Incentives provided post-performance upon review and verification by GOED
- Total EDTIF not to exceed \$16,655,814 EDTIF post-performance refundable tax credit
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Must commit to keep operation in Utah for the length of the incentive period 10 years
- Subject to local incentive

Corey Lindley the CFO of DoTERRA spoke briefly on the excitement of this project and also gave a brief background on the history of the company and where they see themselves in the future. He thanked the GOED Board for their support through this entire process.

Kim Robinson and Larry Ellers, representatives from the county and the city discussed the importance of this project in their area and are looking forward to working with them.

EDTIF – 1-800 Contacts, Inc.

Project Highlights

- Timeline: 2013
- Target Industry: Corporate Headquarters/ Lifesciences/ Research & Development
- Proposed Location: Salt Lake County
- Capital Investment: \$59 million

Jobs and Revenue

- 758 FTE's
- 1-800 Contacts, Inc. provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 15 years: \$ 455,652,989
- New State Revenue over 15 years: \$ 35,205,239

MOTION: Jerry Oldroyd moved to approve for 1-800 Contacts, Inc. a \$8,801,310 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 15 years. Jake Boyer seconded the motion. Motion was carried unanimously.

- Incentives provided post-performance upon review and verification by GOED
- Total EDTIF not to exceed \$8,801,310 EDTIF post-performance refundable tax credit
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Must commit to keep operation in Utah for the length of the incentive period 15 years
- Subject to local incentive

Brian Bethers, President of 1-800 Contacts gave the background of the company and the size comparing to other contact/vision companies. He also addressed some of the other companies like WellPoint that they have acquired in the past. He spoke about their passion for customer service and how that has affected their success in the market. He thanked the GOED Board for their support and are looking forward to the next steps.

EDTIF – Capital Access Networks, Inc.

Project Highlights

- Timeline: 2013 - 2015
- Target Industry: Financial Services
- Proposed Location: Salt Lake City, UT
- Capital Investment: \$1,915,000

Jobs and Revenue

- 108 FTE's
- Capital Access Networks, Inc. provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 7 years: \$ 38,460,169
- New State Revenue over 7 years: \$ 8,113,436

MOTION: Jerry Oldroyd moved to approve for Capital Access Networks, Inc. a \$2,028,359 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 7 years. Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Incentives provided post-performance upon review and verification by GOED
- Total EDTIF not to exceed \$2,028,359 EDTIF post-performance refundable tax credit
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Must commit to keep operation in Utah for the length of the incentive period 7 years
- Subject to local incentive

Eric Cannon, CEO of New Business Logic discussed the type of company that this is which is financial technology. He provided information on the difference subsidiaries within the company and why they want to relocate to Utah. He discussed the competition with other states but gave specific reasons on why they would like to move here. Eric thanked the GOED Board and the staff for their fast paced work on this project and are looking forward to this venture.

Judith Gardner discussed some of the main reasons that they looked into Utah; some of them were favorable tax treatment, workforce and access to global customers.

MPIF Update – Marshall Moore

Marshall gave an update on the film incentive history going back to 2005 showing the economic impact, the amount of the incentives and number of projects.

MPIF – “Dear Eleanor”

Project Highlights

- Category: Feature Film
- Genre: Drama
- Director: Kevin Connolly
- Producer: Caleb Applegate, Chuck Pacheco and Nathaniel Posey

Utah Jobs and Revenue

- Estimated Cast: 10
- Estimated Cast Average Salary: \$504/day
- Estimated Crew: 30
- Estimated Crew Average Salary: \$225/day
- Estimated Extras: 200
- Estimated Extras Average Salary: \$101.50/day
- Length of Film Production: 50 days
- Estimated Spend: \$2,525,200.

Project Schedule

- Prep: March 1st, 2013 – March 31st 2013
- Principal Photography: April 3rd, 2013 – June 15th, 2013
- Wrap: June 16, 2013 – July 5, 2013

Summary

Two teenage girls go on a journey of self-discovery in 1962 on a cross country journey to see Eleanor Roosevelt in New York City.

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) February 7, 2012

MOTION: Amy Anderson moved to approve for Dear Eleanor, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$505,040 (which represents 20% of dollars left in state) and up to \$631,300 (which represents 25% of the dollars left in state) for the production of 'Dear Eleanor'. Jack Brittain seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval
- Dear Eleanor, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$631,300 (25% of the dollars left in state).

MPIF – "Thirst"

Project Highlights

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| • Category: | Independent Feature |
| • Genre: | Suspense |
| • Director: | Greg Kiefer |
| • Producers: | Sam Wallace, David Wulf |

Utah Jobs and Revenue

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| • Estimated Cast: | 7 |
| • Estimated Cast Average Salary: | \$481/day |
| • Estimated Crew: | 38 |
| • Estimated Crew Average Salary: | \$325/day |
| • Estimated Extras: | None |
| • Estimated Extras Average Salary: | N/A |
| • Length of Film Production: | 22 days |
| • Estimated Spend: | \$ 800,000 |

Project Schedule

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| • Prep: | December 17 th , 2012 – March 29 th , 2013 |
| • Principal Photography: | April 1 st , 2013 – April 27 th , 2013 |
| • Wrap: | April 28 th , 2013 – August 30 th , 2013 |

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission 02/07/2013

MOTION: Amy Anderson moved to approve for Thirst Productions a \$120,000 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of 'Thirst'. Lorena Rizzo-Jensen seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

MPIF – "The Adventure of RoboRex"

Project Highlights

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| • Category: | Independent Feature |
| • Genre: | Family |
| • Director: | Steve Shimek |
| • Producers: | David Wulf, Tyler Gourley, Kristi Shimek |

Utah Jobs and Revenue

• Estimated Cast:	10
• Estimated Cast Average Salary:	\$268/day
• Estimated Crew:	40
• Estimated Crew Average Salary:	\$200/day
• Estimated Extras:	50
• Estimated Extras Average Salary:	\$100/day
• Length of Film Production:	17 days
• Estimated Spend:	\$ 550,000

Project Schedule

• Prep:	February 1, 2013 – March 5 th , 2013
• Principal Photography:	March 6 th , 2013 – March 31 st , 2013
• Wrap:	March 31 st , 2013 – December 1 st , 2013

Motion Picture Advisory Committee Recommendation
Approved by the Utah Film Commission 02/07/2013

MOTION: Amy Anderson moved to approve for Robot Dog I, LLC a \$ 82,500 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘The Adventures of RoboRex’. Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

Brian Stankevich Presentation

Brian is the President of Westminster College and he gave a brief overview of the school regarding the facility, tuition/fees, operating budget and the number of enrolled. He discussed the schools top programs which include arts & sciences, education, nursing, business, psychology, biological sciences, environmental sciences and fine & performing arts.

GOED Update

Christopher M. Conabee gave a very brief legislative update regarding some of the bills and why some of the bills are being generated, mostly due to the success of our State.

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of numbers of projects that EDCU is seeing in all industries.

Meeting adjourned.